

2003 UPDATE

Investing For Your Future: A Cooperative Extension System Basic Investing Home Study Course (NRAES-156)

The following two changes to the text published in February 2002 will update it for 2003:

1. Increase in holding time on Series EE and Series I U.S. Savings Bonds
(Unit 5: Fixed-Income Investing):

On page 60, in the first sentence in the second paragraph, change *six months* to *one year*. This change is effective with issues dated on or after February 1, 2003.
The updated sentence reads:

“Series EE and Series I bonds must be held **one year** before being eligible for redemption.”

2. Update to figure 1, page 88 (Unit 7: Tax-Deferred Investing): **2003 Tax Rate Schedules**

Single—Schedule X					Head of household—Schedule Z				
If line 5 is:		The tax is:			If line 5 is:		The tax is:		
Over-	But not over-		Of the amount over-		Over-	But not over-		Of the amount over-	
\$0	\$6,000	-----	10%	\$0	\$0	\$10,000	-----	10%	\$0
6,000	28,400	\$600.00	+15%	6,000	10,000	38,050	\$1,000.00	+15%	10,000
28,400	68,800	3,960.00	+27%	28,400	38,050	98,250	5,207.50	+27%	38,050
68,800	143,500	14,868.00	+30%	68,800	98,250	159,100	21,461.50	+30%	98,250
143,500	311,950	37,278.00	+35%	143,500	159,100	311,950	39,716.50	+35%	159,100
311,950	-----	96,235.50	+38.6%	311,950	311,950	-----	93,214.00	+38.6%	311,950
Married filing jointly or Qualifying widow(er)—Schedule Y-1					Married filing separately—Schedule Y-2				
If line 5 is:		The tax is:			If line 5 is:		The tax is:		
Over-	But not over-		Of the amount over-		Over-	But not over-		Of the amount over-	
\$0	\$12,000	-----	10%	\$0	\$0	\$6,000	-----	10%	\$0
12,000	47,450	\$1,200.00	+15%	12,000	6,000	23,725	\$600.00	+15%	6,000
47,450	114,650	6,517.50	+27%	47,450	23,725	57,325	3,258.75	+27%	23,725
114,650	174,700	24,661.50	+30%	114,650	57,325	87,350	12,330.75	+30%	57,325
174,700	311,950	42,676.50	+35%	174,700	87,350	155,975	21,338.25	+35%	87,350
311,950	-----	90,714.00	+38.6%	311,950	155,975	-----	45,357.00	+38.6%	155,975

Source: U.S. Department of the Treasury, Internal Revenue Service

Caution: Do not use these tax rate schedules to figure your 2002 taxes. Use only to figure your 2003 taxes.